United Nations A/53/791

General Assembly

Distr.: General
12 January 1999

Original: English

Fifty-third session
Agenda item 161
Financing of the United Nations Mission in the Central African Republic

Financing of the United Nations Mission in the Central African Republic

Report of the Secretary-General

Summary

The present report contains the financial performance report of the United Nations Mission in the Central African Republic (MINURCA) for the period from 27 March to 30 June 1998. The General Assembly, by its resolution 52/249 of 26 June 1998, appropriated an amount of $18,560,600 gross ($18,335,500 net) for the establishment and operation of MINURCA for that period. Expenditures for the period totalled $16,667,600 gross ($16,543,700 net), exclusive of budgeted voluntary contributions in kind in the amount of $916,900, resulting in an unencumbered balance of $1,893,000 gross ($1,791,800 net).

The unencumbered balance was attributable primarily to delays in the deployment of military contingents and civilian police, international civilian vacancies and reduced requirements under operational costs (air and transport operations, communications and other equipment).

The action to be taken by the General Assembly in connection with the financing of MINURCA is to decide on the treatment of the unencumbered balance of $1,893,000 gross ($1,791,800 net) for the period from 27 March to 30 June 1998.

99-00687 (E) 270199

Contents

		Paragraphs	*Page*
I.	Introduction	1–4	3
II.	Implementation of the budget	5–8	3
III.	Report requested by the General Assembly in its resolution 52/249	9–15	4
IV.	Financial performance report for the period from 27 March to 30 June 1998	16–17	6
V.	Action to be taken by the General Assembly at its fifty-third session	18	7
Annexes			
I.	Financial performance report for the period from 27 March to 30 June 1998: summary statement		8
II.	Supplementary information on significant variances		10
III.	Planned and actual deployment of military and civilian personnel for the period from 27 March to 30 June 1998		13
IV.	Apportionment and expenditure for the period from 27 March to 30 June 1998		15

I. Introduction

1. The United Nations Mission in the Central African Republic (MINURCA) was established by the Security Council in its resolution 1159 (1998) of 27 March 1998 with effect from 15 April 1998 for an initial period of three months until 15 July 1998. By the same resolution, the Council authorized the Member States participating in the Inter-African Mission to Monitor the Implementation of the Bangui Agreements (MISAB) and those States providing logistical support to ensure security and freedom of movement of their personnel and decided that this authorization would end on 15 April 1998. The Council also authorized the Secretary-General to take the measures necessary to ensure that MINURCA would be fully deployed by 15 April 1998 and to secure a smooth transition between MISAB and MINURCA. The Mission's mandate has been extended by subsequent Security Council resolutions, the most recent of which was resolution 1201 (1998) of 15 October 1998, by which the Council extended the mandate of MINURCA until 28 February 1999 and expressed its intention to terminate the Mission no later than that date.

2. Pending the submission of the Mission's proposed budget to the General Assembly, the Controller sought, in his letter dated 30 March 1998, the concurrence of the Advisory Committee on Administrative and Budgetary Questions to enter into commitments in an amount of $12,844,900 gross ($12,469,900 net) to meet the most immediate requirements of MINURCA for the period from 27 March to 30 June 1998. The Advisory Committee's concurrence was granted in the Chairman's letter dated 13 April 1998.

3. The budget for the establishment and operation of MINURCA for the period from 27 March to 30 June 1998, including the transition from MISAB to MINURCA, amounted on a full-cost basis to $20,776,000 gross ($20,438,400 net), including the budgeted voluntary contributions in kind of $967,400, and was set out in the report of the Secretary-General dated 11 May 1998 (A/52/895). It provided for the authorized strength of 1,350 contingent personnel and 24 civilian police, supported by a phased deployment of 179 civilian staff (106 international and 73 local). The Advisory Committee, in view of a delay in the deployment of one military contingent and in the recruitment of staff, recommended instead in its related report dated 19 May 1998 (A/52/911) the appropriation of $18,560,600 gross ($18,335,500 net).

4. The General Assembly, by its resolution 52/249 of 26 June 1998, appropriated $18,560,600 gross ($18,335,500 net) for the establishment and operation of the Mission for the period from 27 March to 30 June 1998, including $12,844,900 gross ($12,469,900 net) in start-up costs previously authorized by the Advisory Committee. This amount has been assessed on Member States.

II. Implementation of the budget

5. Information on the operations of MINURCA and on the developments on the ground during the period under review is contained in the report of the Secretary-General to the Security Council dated 19 June 1998 (S/1998/540).

6. Despite the unusually tight schedule laid down by the Security Council in its resolution 1159 (1998), MINURCA became operational on 15 April 1998 owing to the early deployment of a transition team of United Nations military planners, logisticians, communications specialists and administrative staff; assistance offered by the office of the United Nations Development Programme during the initial phase of the operations; and voluntary contributions in kind from the Government of France, consisting of military

equipment and medical services for which partial waiver of the reimbursement cost was granted, and of air transportation of contingents by French aircraft. The rapid establishment of MINURCA was also facilitated by the provision, free of charge, by the Government of the Central African Republic of accommodations for the MINURCA military contingents at Camp Beal and parts of Camp M'Poko, in accordance with the status-of-forces agreement concluded on 8 May 1998. Furthermore, critical initial requirements of the Mission for transportation and communications equipment were met through transfer of those assets from other peacekeeping operations and from the United Nations Logistics Base at Brindisi, Italy.

7. The factors described in paragraph 6 above contributed to the implementation of the Mission's political activities in accordance with Security Council mandates as well as to the expeditious set-up of an effective civilian/military administrative and logistical support structure in MINURCA. The early establishment of this support structure contributed to better utilization of financial resources provided within the originally forecast parameters, in particular under the operational costs budget group. Savings under operational costs were also attributable to lower actual unit prices than were budgeted for purchase of vehicles and communications equipment. Unencumbered balances under military and civilian personnel costs resulted from delays in the arrival of civilian police and of one military contingent, the latter owing to the last-minute withdrawal of a troop contributor and the mobilization time required for the deployment of its replacement.

8. The authorized staffing table of MINURCA consisted of 106 international and 73 local staff posts, with the planned deployment of 90 international and 66 local staff reflecting the application of projected delayed recruitment factors of 15 and 10 per cent respectively. Owing to the short duration of the reporting period, despite active recruitment efforts the international staffing showed an overall average vacancy rate of 44 per cent, while that of the local staff stood at 38 per cent. However, as at 30 June 1998, 76 international and 64 local staff posts were filled against the planned incumbency of 90 and 66 posts, reflecting lower vacancy rates of 28 and 12 per cent respectively. With all key positions in the Mission's political and administrative staffing structure filled at the early stages of the Mission's deployment, the potential adverse impact of the reported initial vacancy rates on the delivery of the Mission's mandated activities was minimized.

III. Report requested by the General Assembly in its resolution 52/249

9. In paragraph 6 of its resolution 52/249, the General Assembly requested that the Secretary-General, in his next financial performance report on MINURCA, report on the implementation and efficiency of the system of providing allowances in lieu of rations to various contingents serving in the Mission.

10. Pursuant to Security Council resolution 1159 (1998), the establishment of MINURCA on 15 April 1998 was accompanied by a transfer of authority from MISAB to MINURCA. It is recalled in this connection that with the military structure and role of MINURCA being similar to that of MISAB, the Member States participating in MISAB agreed, at the request of the United Nations, to continue providing their military contingents to the United Nations Mission. To ensure a smooth transition and avoid interruption of services, logistical arrangements for the support of those contingents inherited from MISAB were also, to a large extent, continued under MINURCA. For this reason, at the request of the troop-

contributing countries involved, arrangements for the feeding of their contingents continued to be based on the provision of cash allowances in lieu of rations as they were in MISAB.

11. During the reporting period, personnel of 7 out of 10 military contingents deployed in MINURCA were provided with cash allowances for food and bottled water payable in local currency at a daily rate equivalent to 65 French francs (approximately $10.95). Disbursements recorded in the Mission's accounts during the reporting period amounted to $526,400. For the three other MINURCA contingents, standard United Nations arrangements were implemented to provide troops with food rations, including fresh, dry, chilled and frozen foodstuffs at a contract cost not to exceed $13.55 per person per day, inclusive of transportation and warehousing costs. Expenditures related to the provision of rations are recorded in the Mission's accounts separately from payments of allowances for food and bottled water, thereby ensuring that no double expenditure is incurred.

12. It is recalled that in paragraph 20 of its report dated 19 May 1998 (A/52/911), the Advisory Committee on Administrative and Budgetary Questions recommended that effective measures be put in place to monitor prompt payment to intended recipients of the allowance and to ensure the existence of appropriate audit trails for such measures, without unnecessary administrative and management expenditures.

13. Payment of allowances in the amounts indicated in paragraph 11 above has been effected by cheque drawn to the order of the paymaster of the respective contingent, in accordance with the reported contingent strength. At the Mission's request, its local banking institution in the Central African Republic has established a branch office at Mission headquarters at Camp Beal. The cheques payable to contingent paymasters are cashed in local currency at the branch, with the amount to be disbursed being arranged between the Mission's financial section and the branch as necessary. The recording of cash remittances and disbursements by the Mission's financial section is effected in accordance with the Financial Regulations and Rules of the United Nations and follows established accounting procedures. Moreover, the banking operation is conducted in a secure building in the presence of the Mission's armed contingent guards, thereby providing adequate physical security of the operation.

14. While providing allowances in lieu of rations appears to cost less than the standard United Nations arrangements, it is pertinent to recall that the payment of allowances in lieu of rations in MINURCA resulted from the extension of pre-existing, inherited exceptional arrangements and circumstances at the time the Mission was established. It is also pertinent to note that this system does not offer a guarantee that the standard ration scale developed for contingents is adequately represented in the food basket actually purchased with the allowance, nor does it ensure a continuous food supply. Moreover, as the cost of food on the local market is subject to price fluctuations dictated by supply and demand, seasonal variations and other factors, there is the possibility that the current amount of the allowance may need to be adjusted further. Finally, in the case of local food shortages or sharp increases in local market prices, there is the risk that supplies could be disrupted.

15. In view of the foregoing, the Secretariat is of the view that this exceptional arrangement for the provision of cash allowances in lieu of rations to certain contingents in MINURCA should remain specific to that Mission.

IV. Financial performance report for the period from 27 March to 30 June 1998

16. As indicated in table 1 below, from the appropriation of $18,560,600 gross ($18,335,500 net) for the establishment and operation of MINURCA for the period from 27 March to 30 June 1998, expenditures amounted to $16,667,600 gross ($16,543,700 net), inclusive of $13,408,400 in unliquidated obligations. The resulting unencumbered balance of $1,893,000 gross ($1,791,800 net) represents, in gross terms, approximately 10 per cent of the amount appropriated. Annex I to the present report contains financial performance information for the reporting period by budget line item, with supplementary information on significant variances presented in annex II. Annex IV contains a chart showing apportionment and expenditure by main budget group.

Table 1
Apportionment and expenditure
(Thousands of United States dollars)

Category of expenditure	*Apportionment*	*Expenditure*[a]	*Variance*
Military personnel costs	7 567.5	7 341.7	225.8
Civilian personnel costs	2 161.5	1 649.4	512.1
Operational costs	9 471.1	8 428.5	1 042.6
Other programmes	52.3	41.0	11.3
United Nations Logistics Base at Brindisi	—	—	—
Support account for peacekeeping operations	—	—	—
Staff assessment	225.1	123.9	101.2
Total	**19 477.5**	**17 584.5**	**1 893.0**
Income from staff assessment	(225.1)	(123.9)	(101.2)
Voluntary contributions in kind (budgeted)[b]	(916.9)	(916.9)	—
Gross requirements	**18 560.6**	**16 667.6**	**1 893.0**
Net requirements	**18 335.5**	**16 543.7**	**1 791.8**
Voluntary contributions in kind (non-budgeted)	—	—	—
Total resources	**18 335.5**	**16 543.7**	**1 791.8**

[a] Includes an amount of $13,408,400 in unliquidated obligations.

[b] Includes $407,200 under military contingent costs for the emplacement of troops, $384,800 under contingent-owned equipment and $124,900 under supplies and services for medical services.

17. Information on the deployment of military and civilian personnel during the reporting period is presented in table 2 and annex III.

Table 2
Authorized staffing, incumbency and vacancy rates for military and civilian personnel for the period from 27 March to 30 June 1998

Personnel category	*Authorized strength*	*Actual strength (average)*	*Vacancy rate (percentage)*
Military observers	—	—	—
Military contingents	1 350	1 243	8.0
Civilian police	24	13	46.0
International staff	106	59	44.0
Local staff	73	45	38.0
United Nations Volunteers	—	—	—

V. Action to be taken by the General Assembly at its fifty-third session

18. The action to be taken by the General Assembly in connection with the financing of MINURCA is to decide on the treatment of the unencumbered balance of $1,893,000 gross ($1,791,800 net) for the period from 27 March to 30 June 1998.

Annex I

Financial performance report for the period from 27 March to 30 June 1998: summary statement

(Thousands of United States dollars)

	(1) Apportionment	(2) Non-recurrent expenditures	(3) Total expenditures (inclusive of non-recurrent expenditures)	(4) = (1-3) Variance
I. Military personnel costs				
1. Military observers	—	—	—	—
2. Military contingents[a]	6 210.4	1 068.8	6 045.6	164.8
3. Other costs pertaining to military personnel				
(a) Contingent-owned equipment[a]	1 245.8	—	1 184.8	61.0
(b) Death and disability compensation	111.3	—	111.3	—
Subtotal, line 3	**1 357.1**	**—**	**1 296.1**	**61.0**
Total, category I	**7 567.5**	**1 068.8**	**7 341.7**	**225.8**
II. Civilian personnel costs				
1. Civilian police	208.2	43.7	80.2	128.0
2. International and local staff	1 942.1	—	1 564.2	377.9
3. International contractual personnel	—	—	—	—
4. United Nations Volunteers	—	—	—	—
5. Government-provided personnel	11.2	—	5.0	6.2
6. Civilian electoral observers	—	—	—	—
Total, category II	**2 161.5**	**43.7**	**1 649.4**	**512.1**
III. Operational costs				
1. Premises/accommodation	1 218.9	676.4	1 214.2	4.7
2. Infrastructure repairs	20.0	10.0	20.0	—
3. Transport operations	2 254.9	1 592.4	1 928.2	326.7
4. Air operations	1 318.8	136.0	1 090.5	228.3
5. Naval operations	0.5	—	—	0.5
6. Communications	1 391.8	1 041.3	1 187.4	204.4
7. Other equipment	1 557.1	1 287.8	1 308.1	249.0
8. Supplies and services[a]	616.6	—	587.6	29.0
9. Air and surface freight				
(a) Transport of contingent-owned equipment	920.0	1 014.9	1 014.9	(94.9)

	(1) Apportionment	(2) Non-recurrent expenditures	(3) Total expenditures (inclusive of non-recurrent expenditures)	(4) = (1–3) Variance
(b) Commercial freight and cartage	172.5	77.6	77.6	94.9
Subtotal, line 9	**1 092.5**	**1 092.5**	**1 092.5**	**—**
Total, category III	**9 471.1**	**5 836.4**	**8 428.5**	**1 042.6**
IV. Other programmes				
1. Election-related supplies and services	—	—	—	—
2. Public information programmes	8.8	—	1.0	7.8
3. Training programmes	43.5	40.0	40.0	3.5
4. Mine-clearing programmes	—	—	—	—
5. Assistance for disarmament and demobilization	—	—	—	—
Total, category IV	**52.3**	**40.0**	**41.0**	**11.3**
V. United Nations Logistics Base at Brindisi	**—**	**—**	**—**	**—**
VI. Support account for peacekeeping operations	**—**	**—**	**—**	**—**
VII. Staff assessment	**225.1**	**—**	**123.9**	**101.2**
Total, categories I–VII	**19 477.5**	**6 988.9**	**17 584.5**	**1 893.0**
VIII. Income from staff assessment	**(225.1)**	**—**	**(123.9)**	**(101.2)**
IX. Voluntary contributions in kind (budgeted)	**(916.9)**	**—**	**(916.9)**	**—**
Total, categories VIII–IX	**(1 142.0)**	**—**	**(1 040.8)**	**(101.2)**
Gross requirements	18 560.6	6 988.9	16 667.6	1 893.0
Net requirements	18 335.5	6 988.9	16 543.7	1 791.8
X. Voluntary contributions in kind (non-budgeted)	**—**	**—**	**—**	**—**
Total resources	**18 335.5**	**6 988.9**	**16 543.7**	**1 791.8**

[a] Includes budgeted voluntary contributions in kind.

Annex II

Supplementary information on significant variances

Military personnel costs

Apportionment: $7,567,500; expenditure: $7,341,700; variance: $225,800

1. The unutilized balance of $225,800 under the above heading was attributable primarily to reduced requirements under standard troop costs resulting from the delayed deployment of one military contingent that arrived in the theatre of operations on 23 June 1998.

Civilian personnel costs

Apportionment: $2,165,500; expenditure: $1,649,400; variance: $512,100

2. The unutilized balance of $512,100 under this heading resulted from reduced requirements totalling $128,000 under civilian police, $377,900 under international and local staff and $6,200 under government-provided personnel.

Civilian police

Apportionment: $208,200; expenditure: $80,200; variance: $128,000

3. The unutilized balance of $128,000 under this heading was attributable to the delayed deployment of civilian police (see annex III to the present report) and to the lower actual cost of deployment travel.

International and local staff

Apportionment: $1,942,100; expenditure: $1,564,200; variance: $377,900

4. As indicated in paragraph 8 of the main report, owing to the short duration of the reporting period, the average vacancy rate of international staff was 44 per cent compared with the projected rate of 15 per cent. With regard to local staff, the average vacancy rate stood at 38 per cent compared with the projected rate of 10 per cent. As a result of the vacancy situation, the Mission reported unutilized balances under civilian staff salaries and common staff costs. In addition, expenditures for international staff were below the actual incumbency owing to delays in the processing of personnel actions and a higher proportion of mission appointees than was originally planned.

Operational costs

Apportionment: $9,471,100; expenditure: $8,428,500; variance: $1,042,600

5. The unutilized balance of $1,042,600 under this heading was attributable primarily to reduced requirements under transport operations ($326,700), air operations ($228,300), communications ($204,400) and acquisition of other equipment ($249,000).

Transport operations

Apportionment: $2,254,900; expenditure: $1,928,200; variance: $326,700

6. The Mission's immediate requirements for vehicles during the initial period of its operations were met through the transfer by air of 32 vehicles from the United Nations Observer Mission in Angola and the United Nations Transitional Administration for Eastern Slavonia, Baranja and Western Sirmium (UNTAES) followed by the shipment by sea of an additional 51 vehicles from UNTAES. In order to meet the Mission's long-term requirements, international procurement was initiated concomitantly with the transfer of vehicles, with actual delivery taken in the subsequent financial period.

7. The unutilized balance of $326,700 under transport operations was attributable to favourable vehicle unit prices secured through international procurement as well as to the cancellation of a requirement for the rental of armoured personnel carriers, which were provided instead by one of the troop-contributing countries. Furthermore, owing to insufficient procurement lead times, instead of buying 10 light and 2 medium buses budgeted at $397,000, the Mission placed an order for an additional 21 light utility vehicles (to be held in reserve) and 6 light sedans at a lower total cost of $274,900, exclusive of freight.

Air operations

Apportionment: $1,318,800; expenditure: $1,090,500; variance: $228,300

8. The aircraft fleet of MINURCA during the reporting period consisted of two MI-8 medium-utility helicopters (one of which was deployed at the end of June 1998) and one Beechcraft light passenger and one C-130 heavy passenger/cargo fixed-wing aircraft. The unutilized balance of $228,300 under this heading was attributable to the lower number of hours flown by helicopters (10.3 compared with 60 planned) and fixed-wing aircraft (144.5 compared with 260 planned) and to the lower actual aircrew subsistence costs. While the C-130 heavy aircraft was utilized for supply/resupply flights, the light passenger aircraft and the MI-8 helicopter were largely on standby for medical and casualty evacuation flights.

Communications

Apportionment: $1,391,800; expenditure: $1,187,400; variance: $204,400

9. Owing to the transfer to MINURCA of essential communications equipment, including a rapid deployment telecommunications shelter from the United Nations Logistics Base at Brindisi (UNLB), the Mission was able to establish a secure communications network at the commencement of its operations. In order to meet the Mission's long-term requirements, international procurement of communications equipment was initiated concomitantly with the transfer of equipment.

10. The unutilized balance of $204,400 under the above heading was attributable mainly to the lower actual unit prices for communications equipment secured through international procurement. Of the total expenditure of $656,100 on communications and workshop and test equipment (exclusive of freight), an amount of $261,700 related to the replenishment of UNLB start-up kit items that had been provided to MINURCA.

Other equipment

Apportionment: $1,557,100; expenditure: $1,308,100; variance: $249,000

11. The unutilized balance of $249,000 under the above heading was attributable primarily to lower requirements under office equipment ($117,000) due to transfers of additional

equipment from UNLB, lower actual unit prices of new equipment and the cancellation of requirements for night observation devices ($128,900).

Staff assessment

Apportionment: $225,100; expenditure: $123,900; variance: $101,200

12. The unutilized balance of $101,200 under this heading was attributable to the vacancy situation during the reporting period and to a delay in the processing of the personnel action forms of international staff.

Income from staff assessment

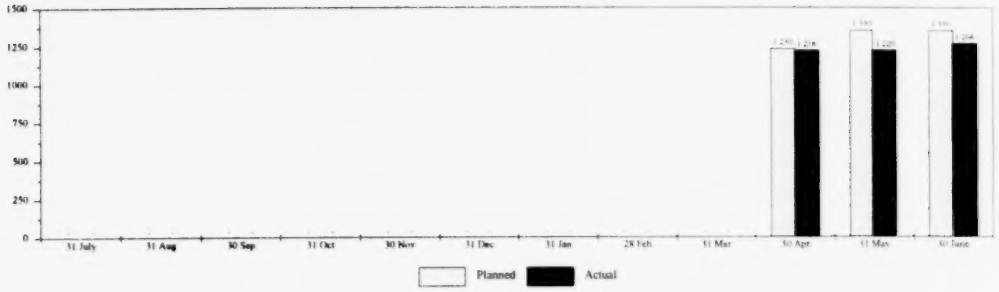
Apportionment: ($225,100); expenditure:($123,900); variance:($101,200)

13. This amount is derived from staff assessment (see para. 12 above).

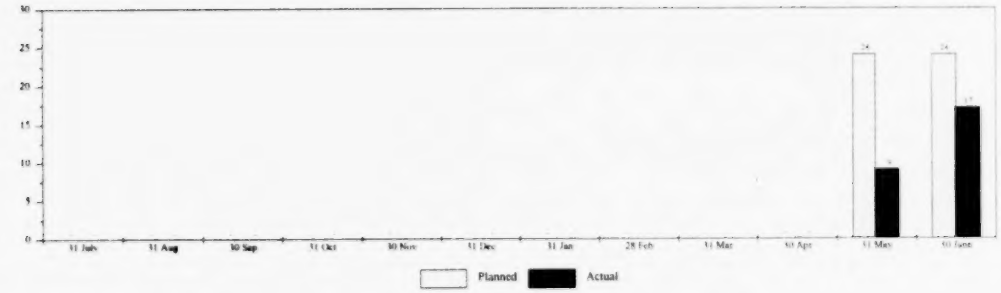
Annex III

Planned and actual deployment of military and civilian personnel for the period from 27 March to 30 June 1998

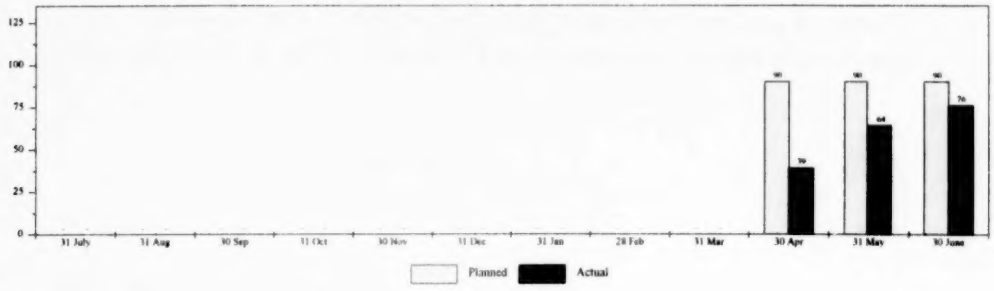
1. Military contingents



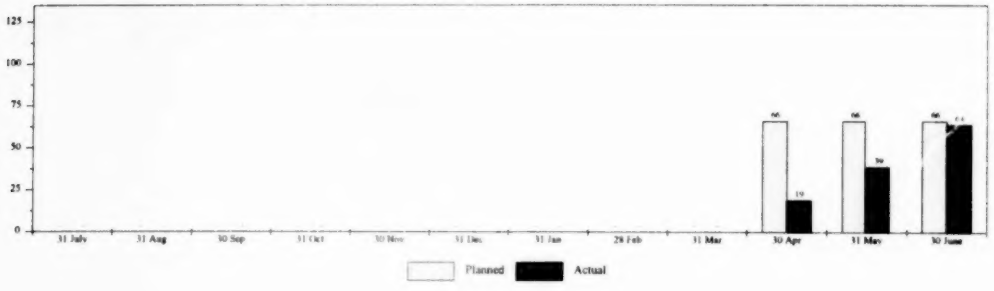
2. Civilian police



3. International staff



4. Local staff



Annex IV

Apportionment and expenditure for the period from 27 March to 30 June 1998